

Message Text

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70

ACTION EUR-12

INFO OCT-01 ISO-00 AGR-05 AID-05 CEA-01 CIAE-00 COME-00

EB-07 FRB-03 INR-07 NSAE-00 CIEP-01 SP-02 STR-04

TRSE-00 LAB-04 SIL-01 SAM-01 OMB-01 H-02 L-03 ITC-01

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FM US MISSION EC BRUSSELS

TO SECSTATE WASHDC 1686

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PASS AGRICULTURE

E.O. 11652: N/A

TAGS: EAGR, ETRD, EEC

SUBJECT: US-EC WINE

REF: (A) STATE 188411, (B) EC BRUSSELS 6927

1. SUMMARY: WE HAVE INFORMED THE COMMISSION OF THE TRADE PROBLEMS REVEALED IN THE WINE CONSULTATIONS AND ASKED THEM TO INSURE THAT U.S. WINE MEETS NO IMPEDIMENTS IN THE EC AFTER SEPTEMBER 1. THE COMMISSION BELIEVES IT CAN HANDLE MOST OF THE PROBLEMS UNDER A TRANSITIONAL PROVISION IN THE NEW REGULATIONS. HOWEVER, IT BELIEVES THE UNITED STATES WILL EVENTUALLY HAVE TO MEET THE COMMUNITY'S LABELING AND CERTIFICATE REQUIREMENTS. END SUMMARY.

2. ON JULY 30 WE TOLD GALLAGHER, EC COMMISSION DEPUTY DIRECTOR GENERAL, OF U.S. DISSATISFACTION WITH THE RESULTS OF THE WINE CONSULTATIONS, STRESSING THE IMPORTANCE OF AVOIDING ANY HINDERANCE TO U.S. WINE EXPORTS AS A RESULT OF THE NEW REGULATIONS. GALLAGHER HAD NOT SEEN A REPORT OF LIMITED OFFICIAL USE

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THE CONSULTATIONS, AND PREFERRED THAT WE GO INTO DETAILS WITH

LOERKE.

3. ON THAT SAME DAY, WE MET WITH COMMISSION OFFICIALS LOERKE (DG I), REICHARDT (DG VI), BOULLEZ (DG VI), AND HELMERT (DG VI) TO GO OVER THE RESULTS OF RECENT US-EC CONSULTATIONS ON WINE PER REFTTEL A. THEIR ATTITUDE ON THIS MATTER APPEARS TO BE THAT THE COMMISSION HAS GONE A LONG WAY IN MEETING THE SPECIAL DEMANDS OF THE UNITED STATES SO FAR, THAT WAYS CAN BE FOUND TO MANAGE THE REMAINING PROBLEMS, AND THAT THERE IS NO IMMEDIATE THREAT THAT U.S. WINE EXPORTS WILL BE FACING NEW EC PROTECTIVE BARRIERS NEXT SEPTEMBER 1.

4. ON THE LATTER PONT, MESSRS. REICHARDT AND BOULLEZ EXPLAINED THAT EC LABELING REQUIREMENTS ON GEORGAPHICAL NAMES AND GRAPE VAIRIETIES, WHICH INVOLVE HIGHER STANDARDS THAN IS CURRENT U.S. PRACTICE (EVEN WITH THE SPECIAL 85 PERCENT DEROGATION), WOULD NOT AFFECT U.S. WINE SHIPMENTS COME SEPTEMBER 1 SINCE ARTICLE 21 OF COMMISSION REGULATION NO. 1608/76 ALLOWS THE PRESENT STATUS QUO TO CONTINUE UNTIL AUGUST 31, 1977. THIS MEANS, THEY SAID, THAT MEMBER STATES WHO ACCEPTED U.S. WINE IMPORTS BEFORE CAN CONTINUE TO DO SO DURING THIS TRANSITIONAL PERIOD AS LONG AS U.S. WINE STILL CONFORMS TO THE PROVISIONS OF THE MEMBER STATE CONCERNED.

5. ON THE CERTIFICATION ISSUE, COMMISSION OFFICIALS STATED THAT EC COUNCIL REGULATION NO. 1160/76 PROBIDES WITH EFFECT FROM SEPTEMBER 1, A PERMANENT EXEMPTION FROM THE CERTIFICATE AND ANALYSIS REPORT TO THIRD COUNTRIES WHOSE ANNUAL EXPORTS OF WINE TO THE EC AMOUNT TO LESS THAT 1,000 HECTOLITRES. (THIS EXEMPTION IS ALSO INCLUDED IN THE JUST-PUBLISHED COUNCIL REGULATION NO. 1848/76 IN OFFICIAL JOURNAL NO. L 204 OF JULY 30). THE PREVIOUS TEMPORARY EXEMPTION UNTIL JANUARY 1978 FOR U.S. WINE WILL BE THUS HEREBY REPEALED AND REPLACED BY THE NEW PERMANENT EXEMPTION; HOWEVER, THE NEW EXEMPTION APPLIES ONLY TO WINE IN CONTAINERS OF TWO LITRES OR LESS. COMMISSION OFFICIALS RECOGNIZE THAT U.S. WINE EXPORTS IN CONTAINERS OF MORE THAT TWO LITRES WILL BE BLOCKED ACCESS TO THE EC COME SEPTEMBER. THEY REGARD THIS LIMITATION AS LIMITED OFFICIAL USE

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A REGRETTABLE OVERSIGHT ON THEIR PART; THEY HAD NO REALIZED THAT SOME U.S. WINE WAS SHIPPED IN GALLON SIZES. ALL COMMISSION OFFICIALS PRESENT AT THE MEETING FELT THAT THERE SHOULD BE NO PROBLEM FOR THE EC TO AMEND THE CONTAINER LIMITATION TO INCLUDE 5 LITRES OR LESS BUT THE QUESTION WAS TIMING. THEY THOUGHT THAT THE EARLIEST THIS CHANGE COULD BE MADE WOULD BE NOT BEFORE OCTOBER.

6. WE ASKED COMMISSION OFFICIALS HOW OFTEN THEY CHECKED WHETHER EXPORTS FROM A THIRD COUNTRY WERE OVER OR UNDER THE 1,000 HECTOLITRE MARK. THEY REPLIED THAT THE COMMISSION REVIEWS THE STATISTICS IN MARCH FOR ANNUAL EXPORTS FORM THIRD COUNTRIES FOR THE PREVIOUS CALENDAR YEAR. THEY SAID, WITH A WINK, THAT THEY WOULD NOT LOOK TOO CLOSELY AT THE U.S. NUMBERS; HOWEVER, SHOULD U.S. SENDINGS BE VERY MUCH MORE THAT 1,000 HECTOLITRES AND SHOULD THE COMMISSION DECIDE TO DELETE THE UNITED STATES FROM THE LIST OF THIRD COUNTRIES ELIGIBLE FOR THE CERTIFICATE EXEMPTION, THE UNITED STATES WOULD NOT LOSE ITS EXEMPTION STATUS BEFORE APRIL 1977 AT THE EARLIEST. DR. REICHARDT UNDERLINED THAT IF THE UNITED STATES INTENDS TO EXPAND ITS MARKET IN THE COMMUNITY, IT SHOULD BE PREPARING TO MEET THE EC CERTIFICATE AND ANALYSIS REQUIREMENTS EVENTUALLY.

7. IN THIS CONNECTION, DR. REICHARDT PASSED US A COMMISSION DOCUMENT FOR DETAILED RULES ON CERTIFICATION AND ANALYSIS WHICH WILL BE REPLACING REGULATION NO. 1770/72. WE SHALL BE FORWARDING COPIES OF THIS DOCUMENT, ALONG WITH OUR FREE TRANSLATION OF IT INTO ENGLISH, TO CLAK (STATE/EB/OTP), DAVIS (TREASURY/BATF), DOERING (USDA/FAS), AND STEINBOCK (STR). THIS DOCUMENT SHOULD BE HANDLED ON A VERY CONFIDENTIAL BASIS AND NO MEMBER STATE OR THIRD COUNTRY DELEGATION SHOULD KNOW THAT IT IS IN OUR POSSESSION. REICHARDT IS PASSING THIS TO US, HE SAYS, WITHOUT THE KNOWLEDGE OF HIS SUPERIORS AND NO MEMBER STATE HAS YET BEEN GIVEN THIS DRAFT DOCUMENT. THE DRAFT WILL BE DISCUSSED WITH MEMBER STATES FOR THE FIRST TIME ON SEPTEMBER 20-21. COMMISSION OFFICIALS EXPECT THAT FURTHER DISCUSSIONS AND REVISIONS WILL BE NECESSARY BEFORE IT IS FINALLY APPROVED.

8. REICHARDT HAS ALOS PROMISED TO FURNISH US SOMETIME SOOM LIMITED OFFICIAL USE

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A LIST OF OOMMUNITY PERMISSIBLE WINE-MAKING PRACTICES (I.E., ANY PRACTICE NOT INCLUDED ON THE LIST IS FORBIDDEN) IN THE HOPES THAT THE UNITED STATES CAN START PREPARING SOON A LIST OF U.S. WINE-MAKING PRACTICES IT CAN PRESENT TO THE COMMISSION.

9. CONTRARY TO PARAGRAPH 3D IN REFTEL A, COMMISSION OFFICIALS REPORT THAT AN ATTESTATION THAT THE WINE IN QUESTION IS LABELLED REPEAT LABELLED IN ACCORDANCE WITH EC REGULATIONS IS NOT REQUIRED ON THE EC CERTIFICATE. HOWEVER, IT IS TRUE THAT THERE WILL BE AN ATTESTATION REQUIRED THAT THE WINE IN QUESTION HAS NOT BEEN SUBJECT TO OENOLOGICAL PRACTICES NOT ALLOWED BY COMMUNITY ARRANGEMENTS FOR THAT IMPORT.

10. DR. REICHARDT ALSO WENT OVER FOR US THE DISCUSSIONS IN WASHINGTON ON RELIGIOUS WINES. HE CONFIRMED THAT IT MIGHT

BE POSSIBLE FOR THE COMMUNITY TO MODIFY ITS RULE RESTRICTING
EC SALES OF WINES FOR RELIGIOUS USE TO RELIGIOUS INSTITUTIONS,
SO THAT U.S. KOSHER WINE COULD BE OFFERED IN THE EC COMMERICAL
MARKET.

11. PARAGRAPH 5 IN REFTTEL A REFERS TO US-EC BILATERAL
CONSULATATIONS AS TENTATIVELY SET FOR THE MIDDLE OF OCTOBER.
THESE CONSULTATIONS HAVE BEEN FIXED FOR OCTOBER 21 THROUGH
22 (REFTEL B).HINTON

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Message Attributes

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